

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6595**

**BILL NUMBER:** HB 1110

**NOTE PREPARED:** Dec 22, 2011

**BILL AMENDED:**

**SUBJECT:** Funding for Regional Bus Authority.

**FIRST AUTHOR:** Rep. Lawson L

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill requires Lake County, Hammond, and Gary to quarterly transfer \$187,500 of each unit's riverboat revenue to the Regional Bus Authority. The bill also requires East Chicago to quarterly transfer \$150,000 of its riverboat revenue to the Regional Bus Authority.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Summary:* This bill requires a total of \$2.85 M each year to be transferred to the Regional Bus Authority in Lake County from riverboat revenues received by Lake County (\$187,500 quarterly), East Chicago (\$150,000 quarterly), Gary (\$187,500 quarterly) and Hammond (\$187,500 quarterly). The bill requires the transfers to be made from riverboat wagering tax revenue, riverboat admission tax revenue, or revenue from an economic development agreement with a riverboat casino.

The table below reports annual riverboat revenue received by Lake County, East Chicago, Gary and Hammond. The tax revenue distributions are for FY 2011, and the local development agreement payments are for CY 2010. The table also reports the statutorily required payments that each unit must make from riverboat admission tax revenue to reimburse the state for the cost of an income tax credit and the statutorily required distributions that Lake County must make from admission tax revenue to local units.

	Lake County	East Chicago	Gary	Hammond
Riverboat Wagering Tax	\$0	\$13.5 M	11.6 M	\$13.7 M
Riverboat Admission Tax*	16.6 M	5.5 M	6.2 M	4.9 M
Local Development Agreement**	0	2.4 M	6.0 M	18.3 M
<b>Total Revenue</b>	<b>16.6 M</b>	<b>21.4 M</b>	<b>23.8 M</b>	<b>36.9 M</b>
Tax Credit Reimbursement	(6.3 M)	(2.1 M)	(2.1 M)	(2.1 M)
Required Distributions	(4.1 M)	N/A	N/A	N/A
<b>Remainder After Required Payments and Distributions</b>	<b>\$6.2 M</b>	<b>\$19.3 M</b>	<b>\$21.7 M</b>	<b>\$34.8 M</b>
<p>* Lake County admission tax revenue comprised \$10.3 M in actual tax collections and \$6.3 M from the supplemental admission tax guarantee payment by the state. East Chicago admission tax revenue comprised \$2.7 M in actual tax collections and \$2.8 M from the supplemental admission tax guarantee payment by the state. Hammond admission tax revenue was all comprised of actual tax collections.</p> <p>** Local development agreement payments to Gary are being held in escrow.</p>				

**Background Information:** Current statute provides a state income tax credit for property taxes paid by low-income homeowners in Lake County. Annually, Lake County must reimburse 50% of the cost of the tax credit to the state General Fund and East Chicago, Hammond, and Gary each must reimburse 16.67% of the tax credit cost. Current statute also requires Lake County to distribute 25% of its annual admission tax revenue (including supplemental admission tax guarantee payments from the state). The revenue is distributed by Lake County to 16 municipalities in Lake County specified by statute.

**State Agencies Affected:**

**Local Agencies Affected:** Lake County, Hammond, Gary, East Chicago, Regional Bus Authority.

**Information Sources:** Indiana Gaming Commission, *Payment of Local Development Agreements, 2008-2010*. Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations, FY 2011*. Auditor of State, *All Accounts Trial Balance, FY 2011*.

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